

KD Commercial Real Estate

With over 35 years combined experience and over half a billion dollars in transactions, we have handled everything from investment and owner/user sales, to leasing and property management. We have experienced every aspect of real estate in practice, not just theory. This experience has provided us with a unique understanding of real estate from the most fundamental level, equipping us with the skillset to handle any commercial real estate objective with industry leading results. We understand the needs of our clients and are dedicated to forming long term relationships. Please contact us if we can be of any service.

Market Commentary

Decreasing vacancy rates continue across all asset classes and type. Sales volume and average sale price per square foot are up across the board as well. Industrial is leading the way with nearly 400,000 SF of absorption last quarter. Industrial pricing is nearing record highs, up nearly 300% from the bottom of the last recession, and 30% from 3Q16. We are attributing the strength of the local market to the fact that the uncertainty of the election is behind us, the general economy and the stock market are strong, and the Fed has kept rates relatively flat. The low interest rate environment has fueled another round of accelerated acquisitions by large funds and REITs in order to place capital while rates are still low. This has driven a surge in pricing to what we feel is unsustainable levels. We are advising clients to hold off on investment acquisitions and to move forward cautiously with necessary leasing requirements and real estate acquisitions for business use. The flip side is that it is a phenomenal time to be a seller, with pricing near record highs. We do expect to see pricing level off or slightly decline at some point, as interest rates rise and the market moves towards longer term stability.

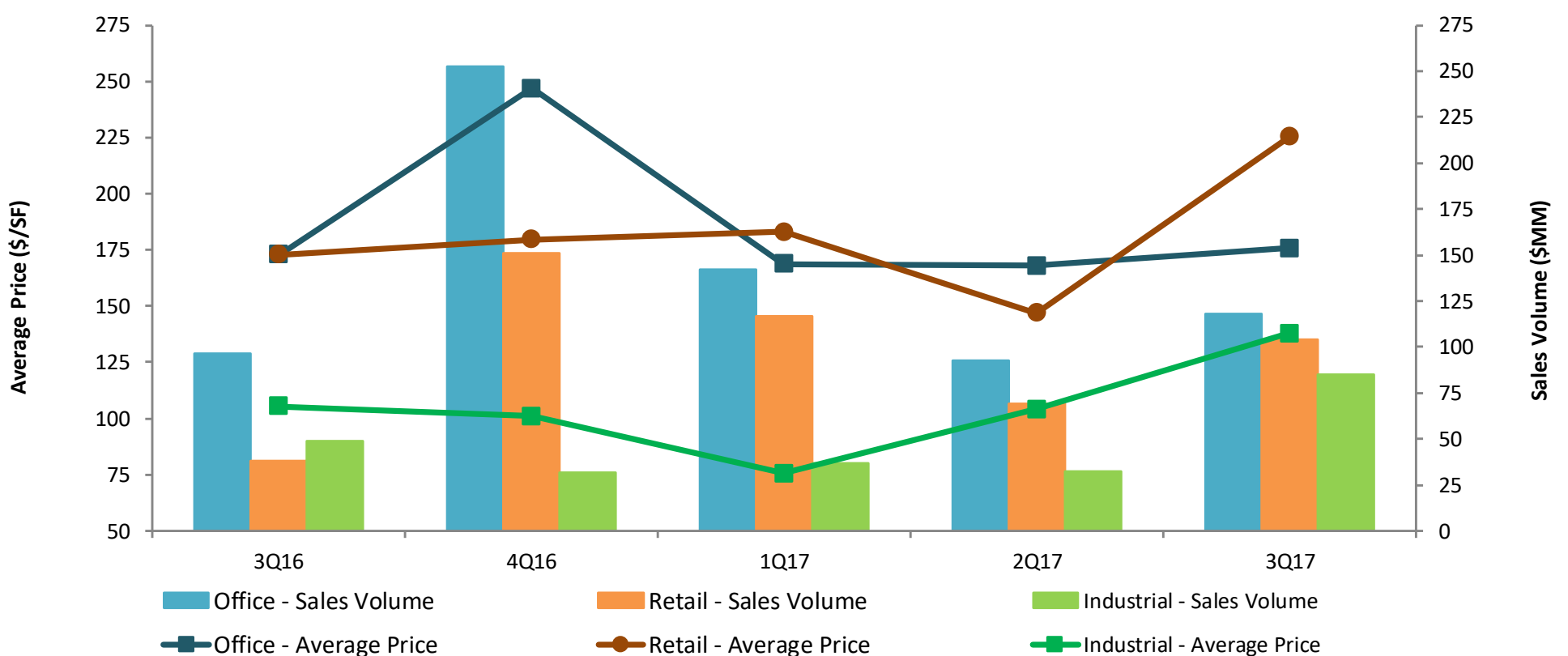
Recent Sales Data

Property Address	Property Type	Size (SF)	Sale Price	Price/SF
221 S. US Hwy 1 Tequesta	Retail Center	75,326	\$12,500,000	\$165.95
1605 N. Military Trail West Palm Beach	Retail	18,380	\$2,400,000	\$130.58
302 Datura Street West Palm Beach	Office	41,750	\$7,350,000	\$176.05
2505 Metrocentre Blvd West Palm Beach	Office	15,500	\$2,875,000	\$185.48
7634 Central Industrial Dr Riviera Beach	Industrial	18,428	\$2,490,000	\$135.12
230 Truck And Trailer Way Riviera Beach	Industrial	40,000	\$4,385,350	\$109.63

Market Trends: (2Q17 to 3Q17)

		Retail		Office		Industrial
Absorption (SF)	↑	243,908	↑	243,691	↑	393,278
Vacancy	↓	4.20%	↓	10.60%	↓	2.80%
Lease Rate (\$/SF)	↑	\$21.77	↑	\$28.79	↓	\$10.08
Sales (Millions)	↑	\$104.05	↑	\$118.26	↑	\$84.97
Price/SF	↑	\$225.36	↑	\$175.79	↑	\$137.77
YTY Price Change	↑	30.43%	↑	1.71%	↑	30.64%
Construction (SF)	↑	762,888	↑	162,948	↑	256,748
Deliveries (SF)	↑	93,902	↑	58,950	↓	12,397

(Data compiled from CoStar)



Contact Us For Your Free Broker Opinion of Value

Similar to an appraisal, your comprehensive BOV will help you understand your property's position in the market, allowing you to make informed decisions related to long term financial planning, sale-leaseback options, refinancing, or selling. **Commercial real estate typically represents the largest asset of any business. Even if you aren't interested in selling, you should know what your property is worth.**

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